<u>REMARKS</u>

Applicants respectfully request reconsideration of this application, as amended herein. Claims 1-67 were pending in the application. Claim 67 has been canceled, Claims 1, 2, 5, 6, 9, 35, 48-54, and 65-66 have been amended, and no new claims have been added. Therefore, Claims 1-66 are pending in the application.

Applicant submits herewith an Information Disclosure Statement under 37 C.F.R. §1.97(c). The requisite fee for submission of an Information Disclosure Statement under 37 C.F.R. §1.97(c) is being submitted herewith.

As a preliminary matter, Applicants wish to first point out fundamental distinctions between Applicants' invention and the prior art cited by the Examiner. Although the Narrative Communications system cited by the examiner seems to show an interactive banner ad to enable purchases directly from a vendor, a careful reading of the reference indicates that the entire advertising and transaction scheme is actually a subset of the vendor's inventory loaded to an ad distribution server and no connection is enabled between the ad and the vendor's actual ecommerce systems or website. Therefore, the ad distributor actually serves as a proxy for the vendor to conduct sales transactions. No connection is made between the interactive element and the vendor because a security feature of web browsers prevents any browser plug-in (i.e., Java, Macromedia Flash, etc.) from connecting to any server other than the host server that invokes it. Applicants disclose and claim, a system that includes a separate data communications channel that gets around the built-in limitations of any browser based client side software including Java applets and Macromedia Flash elements. A companion element acts as an intermediary 'straw man' that communicates with an interactive element, but is not constrained to only make network connections to the host server. By functioning as an intermediary, the companion element can make network connections and can read and write files to any distant server. Applicants' construction enables the user to link to the actual vendor's website or live ecommerce infrastructure without leaving the ad banner and, moreover, without leaving the primary webpage displaying the banner ad. Such a construction is immediately contrasted from the Examiner's cited reference described by Narrative Communications. This is a clear distinction between such prior art constructions and Applicant's claimed invention.

Applicant will now more particularly address the Examiner's rejections.

Claim 1 was rejected as being anticipated by Narrative Communications publication retrieved from the Internet Wayback Machine. Applicants respectfully traverse the rejection.

Independent Claim 1 has been amended to make it clear that the system enables a banner ad that provides a link to a separate URL through an intermediary companion element to conduct a transaction without leaving the banner ad.

As Narrative Communications fails to disclose a separate companion element, independent Claim 1 is patentably distinguished.

Claims 2, 48, and 51 were rejected as being anticipated by the Narrative Communications publication retrieved from the Internet Wayback Machine. Applicants respectfully traverse the rejection.

As described above, the system provided by Narrative Communications does not actually enable a connection to the vendor's website, full ecommerce inventory, or to any distant file server as claimed in Applicants' independent claims. Contrary to the Examiner's assertion, nothing in the Narrative Communications publication describes the use of a separate companion element in communication with an interactive element that facilitates broad data communication between the interactive element and a distant server that is distinct from the element server. Regardless, independent Claims 2, 48, and 51 have been amended to include the limitation that the companion element can enable two-way communication with a distant server. Such limitation distinguishes Claims 2, 48, and 51 from the cited reference, as well as the prior art made of record and not relied upon by the Examiner. Narrative Communications in no way teaches or suggests such a construction as claimed, such that independent Claims 2, 48, and 51 are patentably distinguished.

Claims 3, 49, and 52 were rejected as being anticipated by the Narrative Communications publication retrieved from the Internet Wayback Machine. Claims 3, 49, and 52 depend from Claims 2, 48, and 51, respectively, and incorporate the same limitations as Claims 2, 48, and 51, respectively, which, as described above, are patentably distinguished from the Narrative Communications system. Thus, Claims 3, 49, and 52 are patentably distinguished.

Claims 4, 50, and 53 were rejected as being anticipated by the Narrative Communications publication retrieved from the Internet Wayback Machine. Claims 4, 50, and 53 depend from Claims 2, 48, and 51, respectively, and incorporate the same limitations as Claims 2, 48, and 51,

respectively, which, as described above, are patentably distinguished from the Narrative Communications system. Thus, Claims 4, 50, and 53 are patentably distinguished.

The Examiner separately rejected each of Claims 5-47 as being anticipated by the Narrative Communications publication retrieved from the Internet Wayback Machine. Applicants respectfully traverse the rejection.

Claim 5 depends directly from Claim 2, which, as described above, is patentably distinguished from the Narrative Communications system. Additionally, Claim 5 has been amended to clearly point out that the claimed system enables a connection to a distant file server that is different from the element server. The Narrative Communications system in no way teaches or suggests such a construction as claimed, such that Claim 5 is patentably distinguished.

Claims 6-47 depend directly or indirectly from Claim 5 and are, therefore, also patentably distinguished. Furthermore, Claims 6-47 add limitations directed to features that are not addressed by the Narrative Communications system. For example: Claim 11 addresses detection of the environment of the web client, this feature is not disclosed in the Narrative Communications system; Claim 19 addresses immediate delivery of an electronic product from a vendor to the user via the companion element into the ad banner, this feature is not possible in the Narrative Communications system; Claim 33 addresses interactive structure to provide a live gaming interface, this feature is not disclosed, nor is it possible, in the Narrative Communication system; Claim 44 addresses providing a user communication interface for interactive communication between the user and the vendor through the ad space, this feature is not disclosed, nor is it possible, in the Narrative Communications system.

The Examiner rejected Claims 54 as being anticipated by the Narrative Communications publication retrieved from the Internet Wayback Machine. Applicants respectfully traverse the rejection.

Independent Claim 54 describes a very different form of interactive advertising technology. It does not require a separate banner ad space that is displayed with a primary web page. Rather, the ad space is displayed in response to some user interaction, such as holding the mouse pointer over a context sensitive display. The Narrative Communications publication in no way describes a context sensitive advertising method. Narrative Communications merely describes a system in which the ad server enables a transaction to be performed between a user

and the ad provider serving as a proxy for the vendor. There is no mention, whatsoever, of a context sensitive advertising method as disclosed and claimed by Applicants. Narrative Communications in no way teaches or suggests such a construction as claimed, such that independent Claim 54 is patentably distinguished.

The Examiner separately rejected each of Claims 55-67 as being anticipated by the Narrative Communications publication retrieved from the Internet Wayback Machine. Applicants respectfully traverse the rejection.

Claims 55-66 depend from Claim 54 and incorporate the same limitations as Claim 54, which, as described above, is patentably distinguished from the Narrative Communications system. Thus, Claims 55-66 are patentably distinguished. As Applicants have cancelled Claim 67 herein, it is respectfully submitted that the instant rejection is now moot with respect to that claim.

CONCLUSION

Applicants have made a diligent effort to address the objections identified by the Examiner and believe all claims remaining in the application are allowable. Accordingly, a Notice of Allowability is respectfully requested. However, if the Examiner is of the opinion that the present application is not in condition for allowance, Applicants respectfully request that the Examiner contact Applicants' attorney at the telephone number listed below so that additional changes may be discussed.

Respectfully submitted,

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